

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date OCT 12 2001

DEFENDERS OF WILDLIFE ACTION FUND  
C/O ANN PETERS  
1726 M ST NW STE 600  
WASHINGTON, DC 20036

Employer Identification Number:  
52-2298744  
DLN:  
17053187042021  
Contact Person:  
GARY MUTHEKT  
Contact Telephone Number: ID# 31518  
(877) 829-5500  
Internal Revenue Code  
Section 501(c)(4)  
Accounting Period Ending:  
September 30  
Form 990 Required:  
Yes  
Addendum Applies:  
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in the section indicated above.

Unless specifically excepted, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) for each employee to whom you pay \$100 or more during a calendar year. And, unless excepted, you are also liable for tax under the Federal Unemployment Tax Act for each employee to whom you pay \$50 or more during a calendar quarter if, during the current or preceding calendar year, you had one or more employees at any time in each of 20 calendar weeks or you paid wages of \$1,500 or more in any calendar quarter. If you have any questions about excise, employment, or other Federal taxes, please address them to this office.

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth

Letter 948 (DO/CG)

Ch 10/11/01

DEFENDERS OF WILDLIFE ACTION FUND

month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

DEFENDERS OF WILDLIFE ACTION FUND

-3-

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

*Steven T. Miller*

Steven T. Miller  
Director, Exempt Organizations

Letter 948 (DO/CG)

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date:

OCT 12 2001

DEFENDERS OF WILDLIFE ACTION FUND  
1101 14TH ST NW STE 1400  
WASHINGTON, DC 20005

Employer Identification Number:  
52-2298744

DLN:

17053187042021

Contact Person:

GARY MUTHERT

Contact Telephone Number:  
(877) 829-5500

ID# 31518

Internal Revenue Code  
Section 501(c)(4)

Accounting Period Ending:  
September 30

Form 990 Required:

Yes

Addendum Applies:

No

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If a return is required, it must be filed by the 15th day of the fifth

Letter 948 (DO/CG)

BK 10/12/01

DEFENDERS OF WILDLIFE ACTION FUND

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We have sent a copy of this letter to your representative as indicated in your power of attorney.



DEFENDERS OF WILDLIFE ACTION FUND

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

*Steven T. Miller*

Steven T. Miller  
Director, Exempt Organizations

Form **2848**  
(Rev. December 1997)  
Department of the Treasury  
Internal Revenue Service

## Power of Attorney and Declaration of Representative

See the separate instructions.

OMB No. 1545-0150  
For IRS Use Only  
Received by:  
Name \_\_\_\_\_  
Telephone \_\_\_\_\_  
Function \_\_\_\_\_  
Date \_\_\_\_\_

### Part I Power of Attorney (Please type or print.)

1 Taxpayer information (Taxpayer(s) must sign and date this form on page 2, line 9.)

Taxpayer name(s) and address  
Defenders of Wildlife Action Fund  
1101 14th Street, NW, Suite 1400  
Washington, DC 20005

Social security number(s)

Employer identification number

Daytime telephone number  
(202) 682-9400

52 2298744

Plan number (if applicable)

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

### 2 Representative(s) (Representative(s) must sign and date this form on page 2, Part II.)

Name and address  
Ann Peters  
1726 M Street, NW, Suite 600  
Washington, DC 20036

CAF No. Please assign  
Telephone No. (202) 328-3500  
Fax No. (202) 328-6918  
Check if new: Address ☐ Telephone No. ☐

Name and address  
Elizabeth Kingsley  
1726 M Street, NW, Suite 600  
Washington, DC 20036

CAF No. 2605-82895R  
Telephone No. (202) 328-3500  
Fax No. (202) 328-6918  
Check if new: Address ☐ Telephone No. ☐

Name and address

CAF No. \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
Fax No. \_\_\_\_\_  
Check if new: Address ☐ Telephone No. ☐

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

| 3 Tax matters                                  | Tax Form Number (1040, 941, 720, etc.) | Year(s) or Period(s) |
|--|--|----------------------|
| Type of Tax (Income, Employment, Excise, etc.) | Form 1024                              | Until Granted        |
| Application for Tax Exemption                  |  |                      |

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. (See instruction for Line 4—Specific uses not recorded on CAF.)

5 Acts authorized. The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative unless specifically added below, or the power to sign certain returns (see instruction for Line 5—Acts authorized).  
List any specific additions or deletions to the acts otherwise authorized in this power of attorney:

Note: In general, an unenrolled preparer of tax returns cannot sign any document for a taxpayer. See Revenue Procedure 81-38, printed as Pub. 470, for more information.  
Note: The tax matters partner of a partnership is not permitted to authorize representatives to perform certain acts. See the instructions for more information.

6 Receipt of refund checks. If you want to authorize a representative named on line 2 to receive, BUT NOT TO ENDORSE OR CASH, refund checks, initial here and list the name of that representative below.

Name of representative to receive refund check(s) \_\_\_\_\_  
For Paperwork Reduction and Privacy Act Notice, see the separate instructions.

Post Mark

JUN 28 '01

Received

JUL 02 '01

Internal Revenue Service  
Covington, K.Y.

Notices and communications. Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2 unless you check one or more of the boxes below.

- a If you want the first representative listed on line 2 to receive the original, and yourself a copy, of such notices or communications, check this box ☐
- b If you also want the second representative listed to receive a copy of such notices and communications, check this box ☐
- c If you do not want any notices or communications sent to your representative(s), check this box ☐
- 8 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here, ☐  
**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

9 Signature of taxpayer(s). If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.

Rodger Schlickelsen  
Signature

June 27, 2001 Date  
PRESIDENT Title (if applicable)

Rodger Schlickelsen  
Print Name

Signature

Date

Title (if applicable)

Print Name

**Part II Declaration of Representative**

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
  - c Enrolled Agent—enrolled as an agent under the requirements of Treasury Department Circular No. 230.
  - d Officer—a bona fide officer of the taxpayer's organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer's immediate family (i.e., spouse, parent, child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d)(1) of Treasury Department Circular No. 230).
  - h Unenrolled Return Preparer—an unenrolled return preparer under section 10.7(d)(viii) of Treasury Department Circular No. 230.

IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.

| Designation—Insert above letter (a-h) | Jurisdiction (state) or Enrollment Card No. | Signature          | Date    |
|---------------------------------------|---|--------------------|---------|
| a                                     | DC, MD                                      | <u>[Signature]</u> | 6/28/01 |
| a                                     | DC, MD                                      | <u>[Signature]</u> | 6/28/01 |



17053187042021

**Form 8718**(Rev. January 1998)  
Department of the Treasury  
Internal Revenue Service**User Fee for Exempt Organization  
Determination Letter Request**Attach this form to determination letter application.  
(Form 8718 is NOT a determination letter application.)

For IRS Use Only

Control number  
Amount paid  
User fee screen

1 Name of organization

Defenders of Wildlife Action Fund

2 Employer Identification Number

52-2298744

Caution: Do not attach Form 8718 to an application for a pension plan determination letter. Use Form 8717 instead.

Fee

**3 Type of request**

- a ☐ Initial request for a determination letter for:
- An exempt organization that has had annual gross receipts averaging not more than \$10,000 during the preceding 4 years, or
  - A new organization that anticipates gross receipts averaging not more than \$10,000 during its first 4 years. ▶ \$150
- Note: If you checked box 3a, you must complete the Certification below.

**Certification**

I certify that the annual gross receipts of \_\_\_\_\_ name of organization  
have averaged (or are expected to average) not more than \$10,000 during the preceding 4 (or the first 4) years of operation. Title ▶

**b ☒ Initial request for a determination letter for:**

- An exempt organization that has had annual gross receipts averaging more than \$10,000 during the preceding 4 years. ▶ \$500
- A new organization that anticipates gross receipts averaging more than \$10,000 during its first 4 years. ▶ \$500

**c ☐ Group exemption letters****Instructions**

The law requires payment of a user fee with each application for a determination letter. The user fees are listed on line 3 above. For more information, see Rev. Proc. 98-8, 1998-1, I.R.B. 225.

Check the box on line 3 for the type of application you are submitting. If you check box 3a, you must complete and sign the certification statement that appears under line 3a.

Attach to Form 8718 a check or money order payable to the Internal Revenue Service for the full amount of the user fee. If you do not include the full amount, your application will be returned. Attach Form 8718 to your determination letter application.

Send the determination letter application and Form 8718 to:

Internal Revenue Service  
P.O. Box 192  
Covington, KY 41012-0192

If you are using express mail or a delivery service, send the application and Form 8718 to:

Internal Revenue Service  
201 West Rivercenter Blvd.  
Attn: Extracting Stop 312  
Covington, KY 41011

Attach Check or Money Order Here

Post Mark

JUN 28 '01

Received

JUL 02 '01

Internal Revenue Service  
Covington, K.Y.

Cat. No. 64728Z

Form 8718 (Rev. 1-98)

17053187042021

Form **1024**  
(Rev. September 1998)  
Department of the Treasury  
Internal Revenue Service

# Application for Recognition of Exemption Under Section 501(a)

OMB No. 1545-0057

If exempt status is approved,  
this application will be open  
for public inspection.

Read the instructions for each Part carefully. A User Fee must be attached to this application.  
If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to the organization.  
Complete the **Procedural Checklist** on page 6 of the instructions.  
Submit only the schedule that applies to your organization. Do not submit blank schedules.

## Part I. Identification of Applicant (Must be completed by all applicants; also complete appropriate schedule.)

Check the appropriate box below to indicate the section under which the organization is applying:  
a ☐ Section 501(c)(2)—Title holding corporations (Schedule A, page 7)  
b ☒ Section 501(c)(4)—Civic leagues, social welfare organizations (including certain war veterans' organizations), or local associations of employees (Schedule B, page 8)  
c ☐ Section 501(c)(5)—Labor, agricultural, or horticultural organizations (Schedule C, page 9)  
d ☐ Section 501(c)(6)—Business leagues, chambers of commerce, etc. (Schedule C, page 9)  
e ☐ Section 501(c)(7)—Social clubs (Schedule D, page 11)  
f ☐ Section 501(c)(8)—Fraternal beneficiary societies, etc., providing life, sick, accident, or other benefits to members (Schedule E, page 13)  
g ☐ Section 501(c)(9)—Voluntary employees' beneficiary associations (Parts I through IV and Schedule F, page 14)  
h ☐ Section 501(c)(10)—Domestic fraternal societies, orders, etc., not providing life, sick, accident, or other benefits (Schedule E, page 13)  
i ☐ Section 501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, or like organizations (Schedule G, page 15)  
j ☐ Section 501(c)(13)—Cemeteries, crematoria, and like corporations (Schedule H, page 16)  
k ☐ Section 501(c)(15)—Mutual insurance companies or associations, other than life or marine (Schedule I, page 17)  
l ☐ Section 501(c)(17)—Trusts providing for the payment of supplemental unemployment compensation benefits (Parts I through IV and Schedule J, page 18)  
m ☐ Section 501(c)(19)—A post, organization, auxiliary unit, etc., of past or present members of the Armed Forces of the United States (Schedule K, page 19)  
n ☐ Section 501(c)(25)—Title holding corporations or trusts (Schedule A, page 7)

1a Full name of organization (as shown in organizing document)  
Defenders of Wildlife Action Fund

1b c/o Name (if applicable)

1c Address (number and street)  
1101 14th Street, NW

1d City, town or post office, state, and ZIP + 4 If you have a foreign address, see Specific Instructions for Part I, page 2.  
Washington, DC 20005

1e Web site address  
www.defendersactionfund.org

4 Month the annual accounting period ends  
September

2 Employer identification number (EIN) (if none, see Specific Instructions on page 2)  
52-2298744

3 Name and telephone number of person to be contacted if additional information is needed  
Ann Peters  
(202) 328-3500

5 Date incorporated or formed  
2/22/01

6 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? ☐ Yes ☒ No  
If "Yes," attach an explanation.

7 Has the organization filed Federal income tax returns or exempt organization information returns? ☐ Yes ☒ No  
If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.

8 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a ☒ Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also attach a copy of the bylaws.  
b ☐ Trust—Attach a copy of the Trust indenture or Agreement, including all appropriate signatures and dates.  
c ☐ Association—Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence that the organization was formed by adoption of the document by more than one person. Also include a copy of the bylaws.

If this is a corporation or an unincorporated association that has not yet adopted bylaws, check here ☐  
I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization, and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

PLEASE  
SIGN  
HERE

*Rodger Schlickeisen*  
(Signature)

Rodger Schlickeisen, President  
(Type or print name and title or authority of signer)

Received

June 27, 2001

For Paperwork Reduction Act Notice, see page 5 of the instructions.

JUN 28 '01

JUL 02 '01

Internal Revenue Service  
Covington, K.Y.

**Part II. Activities and Operational Information (Must be completed by all applicants)**

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

Please see attached.

- 2 List the organization's present and future sources of financial support, beginning with the largest source first.

The Action Fund will receive financial support in the form of membership dues and individual contributions.

Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

Part II. Question 1: Narrative Statement

Background

The District of Columbia nonprofit organization Defenders of Wildlife ("Defenders (c)(3)") is recognized as a public charity exempt from tax under Section 501(c)(3) of the Internal Revenue Code ("the Code"), and is organized to promote charitable and educational activities that protect wildlife and prevent habitat alteration and destruction. As it becomes fully active, Defenders of Wildlife Action Fund ("the Action Fund") will carry on public policy, social welfare, and advocacy work consistent with the goals of Defenders (c)(3). The Action Fund is being created to conduct lobbying activities using strictly nondeductible funds on a scale that may be beyond the limits applicable to Defenders (c)(3) under the provisions of Section 501(c)(3), and to conduct activities which may be prohibited to Defenders under those provisions.

Defenders of Wildlife Action Fund is organized and will be operated exclusively for social welfare purposes under Section 501(c)(4) of the Internal Revenue Code. Its fundamental goal is to protect wildlife, natural habitats, and the environment by:

- educating people of all ages about wildlife, natural habitats, and other environmental issues;
- supporting the passage of legislation, the implementation of regulatory actions, and the outcome of referenda at the federal, state, and local levels which will positively affect wildlife, natural habitats, and the environment; and
- influencing the appointment of officials and the recruitment, nomination, and election of

Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

candidates to public office who will develop and implement policies that positively affect wildlife, natural habitats, and the environment.

#### Activities

Defenders of Wildlife Action Fund is committed to using television, radio, print media, and electronic methods of communication to educate the public about current threats to plant and animal wildlife. Its web site, currently under construction, will serve as an information forum through which visitors can learn about endangered wildlife, related environmental concerns, and the Action Fund's efforts to protect wild creatures and their natural habitats. The web site will also summarize the positions of legislators with respect to issues or legislation that have an impact on wildlife. In addition, the Action Fund anticipates releasing publications—such as newsletters, policy papers, and short pamphlets—that summarize the present-day challenges to protecting wildlife and suggest ways that the public can become involved in efforts to protect various forms of wildlife.

The bulk of the Action Fund's time and resources will be spent on lobbying and related activities aimed at influencing public opinion and policy. The main focus of these activities is to protect and expand current local, state, and federal laws which protect endangered species, support the sustained health of plant and animal wildlife, and conserve natural habitats in which this wildlife flourishes. The Action Fund will augment Defenders (c)(3)'s legislative work to fight urban sprawl; conserve America's national forests and wilderness areas; protect various endangered species, including gray wolves, wild cats, grizzly bears, dolphins, and others; and support attempts to reintroduce species to their native habitats.



Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

At the federal level, the Action Fund will seek to strengthen the 1973 Endangered Species Act. It will support the passage of federal legislation which will provide funds for conserving natural habitats and protecting animals, while helping to defeat legislation which sacrifices America's plant and animal biodiversity to corporate or private interests. It will also promote United States ratification of international treaties that positively affect domestic and international wildlife. At the state and local levels, the organization's lobbying activities and other environmental work will target specific issues that affect these regional communities.

At all levels, the Action Fund's direct lobbying activities will include contacts with legislators and their staffs. In addition, the Action Fund will conduct "grass roots" campaigns using such methods as media advertising and direct mail that are designed to inform the public of pending legislation that will significantly impact wild animals, plants, and their natural habitats. The Action Fund will also be sending out an annual newsletter to its members to keep them up to date on the year's events and the organization's legislative activities.

The Action Fund will also engage in limited political and/or electoral activities. These activities may include engaging in voter education on wilderness issues, distributing candidate questionnaires, producing evaluation of candidates' positions on issues of concern to the Action Fund, and conducting voter polls, canvassing, and identification. In addition, the Action Fund may, within the limits permitted under federal and state election laws, make political expenditures for advertisements, brochures, targeted voter registration campaigns, voter identification and get-out-the-vote projects, and public endorsement of candidates. To the extent that the Action Fund does engage in these activities, all electoral activity will be conducted in

Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

accordance with applicable federal and state tax and election laws.

The Action Fund's activities will be entirely supported by membership dues and nondeductible contributions.

Analysis

Defenders of Wildlife Action Fund should be granted federal tax exemption under Section 501(a) because it is a "social welfare" organization as described in Section 501(c)(4) of the Code. While its activities are also charitable in nature, its lobbying and advocacy activities render it an action organization and therefore qualified for tax exemption under Section 501(c)(4).

The Action Fund's activities fit the IRS' definition of "charitable" because they promote environmental preservation and protect the balance of natural ecosystems. In Rev. Rul. 76-204, the IRS recognized that efforts to preserve and protect the natural environment for the benefit of the public serve a charitable purpose. Furthermore, Congress declared in the National Environmental Policy Act of 1969, 42 U.S.C. sec. 4321 (1969) that the prevention and elimination of damage to the environment stimulates the health and welfare of man and enriches the understanding of ecological systems and natural resources important to the nation.

Although its activities would otherwise qualify the Action Fund as a 501(c)(3) organization, its lobbying efforts and advocacy activities render it an action organization described in Treas. Reg. § 1.501(c)(3)-1(c)(3)(ii). Though an action organization cannot qualify under Section 501(c)(3), the Treasury Regulations provide that it may qualify as a social welfare organization under Section 501(c)(4). Treas. Reg. § 1.501(c)(3)-1(c)(3)(v). Section 501(c)(4) of

Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

the Code provides in part for the exemption from Federal income tax of organizations operated exclusively for social welfare purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

In Rev. Rul. 67-293, the IRS denied 501(c)(3) status to an organization which helped to prevent cruelty to animals by operating a community pound while engaging in substantial legislative activities that would benefit animals, animal owners, persons interested in the welfare of animals, and the community at large. The IRS ruled that the organization was tax-exempt under Section 501(c)(4) as a social welfare action organization. The Action Fund engages in lobbying and legislative activities that are similar in nature to those of the group mentioned in this ruling and should therefore receive recognition as a Section 501(c)(4) organization.

To qualify as a tax-exempt social welfare organization, the activities of the organization must benefit the community as a whole rather than merely benefit the organization's membership or other select group of individuals or organizations. The Action Fund serves and benefits all residents of the United States by broadly disseminating information about wildlife protection and by engaging in legislative activities designed to support and encourage the preservation of diverse forms of wildlife and their habitats. The Action Fund's advocacy helps to preserve American wildlife for future generations and promotes "the common good and general welfare of ... the community." Treas. Reg. § 1.501(c)(4)-1(a)(2)(i).

Finally, the fact that Defenders of Wildlife Action Fund may engage in political work as a secondary activity should not preclude it from receiving IRS recognition of its tax-exempt status. Defenders of Wildlife Action Fund is similar to the organization described in Rev. Rul. 81-95,

Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

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which was determined to qualify for exemption under Section 501(c)(4). In this ruling, the IRS stated that an organization may engage in lawful political activities as long as its primary activities promote social welfare. As the preceding description of the Action Fund's activities demonstrates, Defenders of Wildlife Action Fund is operated primarily for the promotion of social welfare and is engaged in promoting the common good and general welfare of the community.

For the aforementioned reasons, Defenders of Wildlife Action Fund should be recognized as a tax-exempt social welfare organization under Section 501(c)(4) of the Internal Revenue Code.

**Rev. Rul. 76-204**

**1976-1 C.B. 152**

**Section 501**

**Distinguished by Rev. Rul. 78-384**

Rev. Rul. 76-204

**Full Text**

Advice has been requested whether the nonprofit organization described below, which otherwise qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954, is operated exclusively for charitable purposes.

The organization was formed by scientists, educators, conservationists, and representatives of the community-at-large for the purpose of preserving the natural environment. It accomplishes this purpose by acquiring and maintaining ecologically significant undeveloped land such as swamps, marshes, forests, wilderness tracts, and other natural areas. The organization acquires the land either as a recipient of a charitable gift or bequest, or as a purchaser. In order to be constantly aware of the availability of significant undeveloped areas, the organization works closely with Federal, state, and local government agencies, and private organizations concerned with environmental conservation.

Some of the land is maintained by the organization itself for the purpose of preserving it in its natural state. Generally, public access to such land is limited so that the delicate balance of the ecosystem remains undisturbed. In these situations the organization will allow educational and scientific research or study as long as such use will not disrupt the particular ecosystem.

Other tracts of land are merely held and preserved by the organization until arrangements can be made to transfer title to the land to a government conservation agency. This usually occurs when the agency is presently unable to acquire the land itself, but where the parcel is particularly suited for inclusion into a new or existing park, wilderness area, or wildlife preserve. Depending upon the circumstances surrounding the organization's initial acquisition of the land, and the restrictions on the particular government agency involved, the organization either makes an outright gift of the land to the agency, or is reimbursed by the agency for the cost of the land. Aside from this occasional reimbursement, the organization does not regularly receive any support from the government, but receives most of its funding from the general public.

Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable purposes.

Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations states that the term "charitable" is used in section 501(c)(3) of the Code in its generally accepted legal sense and includes the advancement of education and science.

It is generally recognized that efforts to preserve and protect the natural environment for the benefit of the public serve a charitable purpose. Restatement (Second) of Trusts sec. 375 (1959). In *Noice v. Schnell*, 137 A. 582 (N.J. 1927), the court held that a bequest, in trust, to preserve and protect from



commercial development the Palisades along the Hudson River was a valid charitable trust. In addition, in *President and Fellows of Middlebury College v. Central Power Corporation of Vermont*, 143 A. 384 (Vt. 1928), the court found that a devise of land to preserve a specimen of original Vermont forest was a charitable bequest. Similar charitable bequests have been upheld in other cases dealing with environmental preservation. See, e.g., *Richardson v. Essex Institute*, 94 N.E. 262 (Mass. 1911); *Cresson's Appeal*, 30 Pa. 437 (1858); and *Staines v. Burton*, 53 P. 1015 (Utah 1896).

Several published Revenue Rulings have also recognized the charitable and educational nature of organizations designed to preserve and promote the natural environment. For example, Rev. Rul. 70-186, 1970-1 C.B. 128, holds that an organization formed to preserve a lake as a public recreational facility and to improve the condition of the water in the lake to enhance its recreational features qualifies for exemption under section 501(c)(3) of the Code. In addition, Rev. Rul. 67-292, 1967-2 C.B. 184, holds that an organization formed for the purpose of purchasing and maintaining a sanctuary for wild birds and animals for the benefit of the public may qualify as exempt from Federal income tax under section 501(c)(3).

Furthermore, the promotion of conservation and protection of natural resources has been recognized by Congress as serving a broad public benefit. For example, Congress declared in the National Environmental Policy Act of 1969, 42 U.S.C. sec. 4321 (1969), that the prevention and elimination of damage to the environment stimulates the health and welfare of man and enriches the understanding of ecological systems and natural resources important to the nation.

The benefit to the public from environmental conservation derives not merely from the current educational, scientific, and recreational uses that are made of our natural resources, but from their preservation as well. Only through preservation will future generations be guaranteed the ability to enjoy the natural environment. A national policy of preserving unique aspects of the natural environment for future generations is clearly mandated in the Congressional declarations of purpose and policy in numerous Federal conservation laws. See, e.g., *Wilderness Act*, 16 U.S.C. sec. 1131 (1964) (wilderness areas); *Estuarine Areas Act*, 16 U.S.C. sec. 1221 (1968) (estuaries); *Wild and Scenic Rivers Act*, 16 U.S.C. sec. 1271 (1968) (rivers); *Water Bank Act*, 16 U.S.C. sec. 1301 (1970) (wetlands). While the public benefits from environmental conservation are clearly recognized and measurable, an equally important public purpose is served by preserving natural resources for future generations.

In this case, by acquiring and preserving (whether by self-maintenance or through transfer to a governmental agency) ecologically significant undeveloped land, the organization is enhancing the accomplishment of the express national policy of conserving the nation's unique natural resources. In this sense, the organization is advancing education and science and is benefiting the public in a manner that the law regards as charitable. The restrictions on current access to the lands maintained by the organization are essential to the preservation of their natural state, and are therefore essential to the fulfillment of the organization's charitable purpose. A similar principle is set forth in Rev. Rul. 75-207, 1975-1 C.B. 361, which holds that the value of an island, owned by a private foundation dedicated to preserve the natural ecosystems on the island to which access is limited to invited public and private researchers, may be excluded from the foundation's minimum investment return under section 4942(e) of the Code.

Accordingly, the organization is operated exclusively for charitable purposes and qualifies for exemption from Federal income tax under section 501(c)(3) of the Code.

Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, *Application for Recognition of Exemption*, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director of Internal Revenue for the district in which is located the principal place of business or principal office of the organization. See sections 1.508-1(a) and 1.501(a)-1 of the regulations.

**Rev. Rul. 67-293**

**1967-2 C.B. 185**

**Sec. 170**

**Sec. 501**

**Full Text**

Rev. Rul. 67-293

The Internal Revenue Service has been asked whether the organization described below may be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954 as being organized and operated for the prevention of cruelty to animals.

The organization is now exempt under section 501(c)(4) of the Code as an organization not organized for profit, but operated exclusively for the promotion of social welfare. It seeks a ruling to the effect that it qualifies for exemption under section 501(c)(3) of the Code and that contributions to it are deductible by donors under the provisions of section 170(c)(2) of the Code.

The organization operates a community pound for the care, protection, placing, and, if necessary, humane disposal of stray animals. In addition, it engaged in attempts to influence legislation which it contends would benefit animals, animal owners, persons interested in the welfare of animals, and the community at large. For example, it was instrumental in having a bill introduced in the State legislature which would provide for investigation of, and sanctions against, mistreatment of laboratory animals. It wrote legislators to support the bill, and also sent pamphlets and notices urging its members and other interested citizens to contact their representatives on behalf of the bill. On various occasions the organization advocated other similar humane legislation, and sent its principal officer to lobby in the State legislature and at county council meetings. The periods have been few and brief when it was not actively engaged in working for the passage or defeat of some piece of legislation affecting the welfare of animals. The organization has not, however, participated or intervened in any political campaigns on behalf of or in opposition to any candidate for public office.

Section 501(c)(3) of the Code specifically exempts from Federal income tax organizations formed and operated exclusively to prevent cruelty to animals or children. However, this section limits organizations which may be exempt under its provisions to those which do not carry on propaganda or otherwise devote a substantial part of their activities to attempts to influence legislation.

Section 1.501(c)(3)-1(c)(3) of the Income Tax Regulations describes organizations which engage in such activities as 'action' organizations. On the other hand, regulations 1.501(c)(4)-1(a)(2)(ii) state specifically that an organization may qualify for exemption under section 501(c)(4) of the Code even though it is an 'action' organization.

The organization does not deny that its legislative activities are substantial, but it argues that it is not precluded from exemption by the prohibition against substantial legislative activities for either or both of two reasons: (1) All the legislation which it has advocated is beneficial to the community, and therefore is not violative of its essentially charitable purpose as a society for the prevention of cruelty to animals. (2) It rarely contacts legislators in its own name, but merely encourages others to do so. These two arguments are discussed below.

(1) The statute is quite specific in proscribing, without qualification, substantial legislative activities by organizations desirous of qualifying under section 501(c)(3) of the Code. The clear intent of the Code is

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to exclude certain organizations, if engaged in such legislative activities, from exemption under section 501(c)(3) of the Code.

(2) Section 1.501(c)(3)-1(c)(3) of the regulations provides that an organization is not operated exclusively for one or more exempt purposes if it is an 'action' organization. Under this section an organization is an 'action' organization if a substantial part of its activities is attempting to influence legislation by contacting, or urging the public to contact, members of a legislative body for the purpose of proposing, supporting, or opposing legislation.

Accordingly, neither of the organization's arguments supports a conclusion that it qualifies for exemption under section 501(c)(3) of the Code and the regulations thereunder. However, it remains exempt under section 501(c)(4) of the Code. Contributions to it are not deductible by donors under the provisions of section 170(c)(2) of the Code.

**Rev. Rul. 81-95**

**1981-1 C.B. 337**

**Section 501 - Tax-Exempt Organizations  
Section 527 - Political Organizations**

**Full Text**

Rev. Rul. 81-95

**ISSUE** What effect does engaging in political campaign activities have on an organization that is exempt from federal income tax under section 501(c)(4) of the Internal Revenue Code?

**FACTS**

The organization is primarily engaged in activities designed to promote social welfare and is exempt from federal income tax under section 501(c)(4) of the Code. In addition, it carries on certain activities involving participation and intervention in political campaigns on behalf of or in opposition to candidates for nomination or election to public office. These political activities take the form of both financial assistance and in-kind services.

**LAW**

Section 501(c)(4) of the Code provides for the exemption from federal income tax of organizations not organized for profit but operated exclusively for the promotion of social welfare.

Section 1.501(c)(4)-1(a)(2)(i) of the Income Tax Regulations provides that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community.

Section 1.501(c)(4)-1(a)(2)(ii) of the regulation provides that the promotion of social welfare does not include direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office.

Section 527(b) of the Code imposes a tax on the taxable income of certain political organizations.

Section 527(f)(1) of the Code provides, in part, that if an organization described in section 501(c) which is exempt from tax under section 501(a) expends any amount during the taxable year directly or indirectly for political activities described in section 527(e)(2), then such amount shall be subject to tax under subsection (b) as if the amount constituted political organization taxable income.

Section 527(e)(2) of the Code describes the type of political activities the expenditures for which will subject an exempt organization to tax. These activities are influencing or attempting to influence the selection, nomination, election, or appointment of any individual to any Federal, state, or local public office or office in a political organization, or the election of Presidential or Vice-Presidential electors, whether or not such individuals or electors are selected, nominated, elected, or appointed.

**ANALYSIS**

In order to qualify for exemption under section 501(c)(4) of the Code, an organization must be primarily engaged in activities that promote social welfare. Although the promotion of social welfare within the meaning of section 1.501(c)(4)-1 of the regulations does not include political campaign activities, the

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regulations do not impose a complete ban on such activities for section 501(c)(4) organizations. Thus, an organization may carry on lawful political activities and remain exempt under section 501(c)(4) as long as it is primarily engaged in activities that promote social welfare.

For an example of an organization whose participation and intervention in political campaigns bars its exemption under section 501(c)(4), see Rev. Rul. 67-368, 1967-2 C.B. 194. That revenue ruling holds that an organization whose primary activity is rating candidates for public office does not qualify for exemption under section 501(c)(4) because such activity does not constitute the promotion of social welfare.

See also Rev. Rul. 67-71, 1967-1 C.B. 125, Rev. Rul. 74-574, 1974-2 C.B. 160, Rev. Rul. 76-456, 1976-2 C.B. 151, Rev. Rul. 78-243, 1978-1 C.B. 154, and Rev. Rul. 80-282, 1980-2 C.B. 178, for other examples of what constitutes participation or intervention in political campaigns.

Section 527 of the Code, which was added by Pub. L. 93-625, January 3, 1975, 1975-1 C.B. 510, 515, and amended by Pub. L. 95-502, October 21, 1978, 1978-2 C.B. 393, 395, affects the treatment of political activities of exempt organizations. The report of the Senate Finance Committee on Pub. L. 93-625 specifically indicates that the provisions of section 527(f) apply to organizations that are exempt under section 501(c)(4). It states:

"Exempt organizations which are not political organizations.—Under present law, certain tax-exempt organizations (such as sec. 501(c)(4) organizations) may engage in political campaign activities. The bill generally treats these organizations on an equal basis for tax purposes with political organizations. Under the bill organizations which are exempt under section 501(a) and are described in section 501(c), that engage in political activity, are to be taxed on their net investment income in part as if they were political organizations. . . ." S. Rep. No. 93-1357, 93d Cong., 2d Sess., 29 (1974), 1975-1 C.B. 517, 533.

#### HOLDING

Since the organization's primary activities promote social welfare, its lawful participation or intervention in political campaigns on behalf of or in opposition to candidates for public office will not adversely affect its exempt status under section 501(c)(4) of the Code. Further, this organization will be subject to the tax imposed by section 527 on any of its expenditures for political activities that come within the meaning of section 527(e)(2).

**FILING INSTRUCTIONS FOR POLITICAL EXPENDITURES** Under section 527(f) of the Code, organizations exempt from federal income tax under section 501(c) that expend over \$100 for political activities must file Form 1120-POL in accordance with the Instructions to that form.



## Part II. Activities and Operational Information (continued)

3 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

b Annual compensation

Please see attached.

4 If the organization is the outgrowth or continuation of any form of predecessor, state the name of each predecessor, the period during which it was in existence, and the reasons for its termination. Submit copies of all papers by which any transfer of assets was effected.

N/A.

5 If the applicant organization is now, or plans to be, connected in any way with any other organization, describe the other organization and explain the relationship (e.g., financial support on a continuing basis; shared facilities or employees; same officers, directors, or trustees).

Please see attached.

6 If the organization has capital stock issued and outstanding, state: (1) class or classes of the stock; (2) number and par value of the shares; (3) consideration for which they were issued; and (4) if any dividends have been paid or whether your organization's creating instrument authorizes dividend payments on any class of capital stock.

N/A.

7 State the qualifications necessary for membership in the organization; the classes of membership (with the number of members in each class); and the voting rights and privileges received. If any group or class of persons is required to join, describe the requirement and explain the relationship between those members and members who join voluntarily. Submit copies of any membership solicitation material. Attach sample copies of all types of membership certificates issued.

Please see attached.

8 Explain how your organization's assets will be distributed on dissolution.

Upon dissolution, Defenders of Wildlife Action Fund's assets will be distributed to Defenders of Wildlife, a 501(c)(3) organization. Assets may also be distributed to other nonprofits recognized under Sections 501(c)(3) or 501(c)(4) of the Internal Revenue Code.

Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

Part II, Question 3: Officer/Director Information

Officer and Director

Compensation

President and Chairman of the Board  
Rodger Schlickeisen  
201 West Rosemont Avenue  
Alexandria, VA 22301

\$4,838

Treasurer  
Caroline Gabel  
654 F Street, NE  
Washington, DC 20002

0

Secretary  
Terry Pelster  
201 East 79<sup>th</sup> Street, Apartment #17F  
New York, NY 10021

0

Rodger Schlickeisen is the only member of the Board of Directors to receive compensation; however, this compensation is for his service as an employee of the organization, not for serving on the organization's Board of Directors. In his capacity as an Action Fund employee, Mr. Schlickeisen will perform the duties of an Executive Director by overseeing and managing all of the Action Fund's operations. He brings to the position over ten years' experience as the President of Defenders of Wildlife (c)(3). Please see the attachment to Part III, Section A, Line 13 for salary projections in 2002 and 2003.

Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

Part II, Question 5: Relationship to Other Organization

As discussed in the response to Part II, Question 1, Defenders of Wildlife Action Fund is being established by Board members from Defenders of Wildlife, a section 501(c)(3) nonprofit organization, and will maintain close ties to the (c)(3). The Action Fund's primary mission is to support and enhance the charitable and educational activities of its sister (c)(3) organization. All of the Action Fund's initial officers and Directors also serve on the Board of Directors of Defenders of Wildlife.

The ongoing relationship between Defenders of Wildlife Action Fund and Defenders (c)(3) is formalized through a cost-sharing agreement. A copy of this agreement is attached.

Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

Part II. Question 7: Membership Information and Qualifications

Any individual who wishes to become a member of Defenders of Wildlife Action Fund may do so by contributing at least \$5 to the organization over a 12-month period of time. This annual contribution serves as the individual's "membership fees" or "membership dues," even though individuals can contribute any amount they desire over \$5 each year. Members will receive an annual newsletter, which will update them on the year's legislative and regulatory developments that affect wildlife and natural habitats. The Action Fund's members will have no voting rights.

Defenders of Wildlife Action Fund will expressly solicit members by informing the public about the Action Fund's philosophy, mission and activities through direct mail, Internet, and print media campaigns, as well as through television advertising. Defenders of Wildlife Action Fund has not yet developed any promotional or membership solicitation materials, but these will likely include a 2 to 4 page letter describing the Action Fund and its activities which will be sent in direct mail campaigns and posted on the Internet.

## Part II. Activities and Operational Information (continued)

- 9 Has the organization made or does it plan to make any distribution of its property or surplus funds to shareholders or members? ☐ Yes ☒ No  
If "Yes," state the full details, including: (1) amounts or value; (2) source of funds or property distributed or to be distributed; and (3) basis of, and authority for, distribution or planned distribution.

N/A.

- 10 Does, or will, any part of your organization's receipts represent payments for services performed or to be performed? ☐ Yes ☒ No  
If "Yes," state in detail the amount received and the character of the services performed or to be performed.  
Defenders of Wildlife Action Fund will be tied to Defenders of Wildlife, its section 501(c)(3) sister organization, through the cost-sharing agreement discussed in Question 5. Though it will purchase certain services from the (c)(3), Defenders of Wildlife Action Fund will not be selling any services. Please see the (c)(3) - (c)(4) agreement attached to Question 5.

- 11 Has the organization made, or does it plan to make, any payments to members or shareholders for services performed or to be performed? ☐ Yes ☒ No  
If "Yes," state in detail the amount paid, the character of the services, and to whom the payments have been, or will be, made.

N/A.

- 12 Does the organization have any arrangement to provide insurance for members, their dependents, or others (including provisions for the payment of sick or death benefits, pensions, or annuities)? ☐ Yes ☒ No  
If "Yes," describe and explain the arrangement's eligibility rules and attach a sample copy of each plan document and each type of policy issued.

N/A.

- 13 Is the organization under the supervisory jurisdiction of any public regulatory body, such as a social welfare agency, etc.? ☐ Yes ☒ No  
If "Yes," submit copies of all administrative opinions or court decisions regarding this supervision, as well as copies of applications or requests for the opinions or decisions.

- 14 Does the organization now lease or does it plan to lease any property? ☐ Yes ☒ No  
If "Yes," explain in detail. Include the amount of rent, a description of the property, and any relationship between the applicant organization and the other party. Also, attach a copy of any rental or lease agreement. (If the organization is a party, as a lessor, to multiple leases of rental real property under similar lease agreements, please attach a single representative copy of the leases.)

- 15 Has the organization spent or does it plan to spend any money attempting to influence the selection, nomination, election, or appointment of any person to any Federal, state, or local public office or to an office in a political organization? ☒ Yes ☐ No  
If "Yes," explain in detail and list the amounts spent or to be spent in each case.  
Please see attached.

- 16 Does the organization publish pamphlets, brochures, newsletters, journals, or similar printed material? ☐ Yes ☒ No  
If "Yes," attach a recent copy of each.  
Although the organization plans to publish such materials, it has not yet done so.



Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

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Part II, Question 15: Political Activities

Defenders of Wildlife Action Fund is primarily a social welfare and lobbying organization. From time to time, it may engage in limited political and/or electoral activities. Please see the response to Part II, Question 1 for more information on these activities.

**Part III. Financial Data (Must be completed by all applicants)**

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

**A. Statement of Revenue and Expenses**

| Revenue  |   | 3 Prior Tax Years or Proposed Budget for Next 2 Years |             |             |           | -- (e) Total |
|----------|---|---|-------------|-------------|-----------|--------------|
|          |   | (a) Current Tax Year<br>From 5/1/01<br>To 9/30/01     | (b) FY 2002 | (c) FY 2003 | (d) _____ |              |
| 1        | Gross dues and assessments of members   | 500   | 3,000       | 15,000      | 20,500    |              |
| 2        | Gross contributions, gifts, etc.  | 250,000   | 350,000     | 500,000     | 1,100,000 |              |
| 3        | Gross amounts derived from activities related to the organization's exempt purpose (attach schedule) (include related cos. of sales on line 9.) | 0   | 0           | 0           | 0         |              |
| 4        | Gross amounts from unrelated business activities (attach schedule)  | 0   | 0           | 0           | 0         |              |
| 5        | Gain from sale of assets, excluding inventory items (attach schedule)   | 0   | 0           | 0           | 0         |              |
| 6        | Investment income (see page 3 of the instructions)  | 6,250   | 8,750       | 12,500      | 27,500    |              |
| 7        | Other revenue (attach schedule).  | 0   | 0           | 0           | 0         |              |
| 8        | Total revenue (add lines 1 through 7)   | 256,750   | 363,750     | 527,500     | 1,148,000 |              |
| Expenses |   |   |             |             |           |              |
| 9        | Expenses attributable to activities related to the organization's exempt purposes.  | 0   | 0           | 0           | 0         |              |
| 10       | Expenses attributable to unrelated business activities  | 0   | 0           | 0           | 0         |              |
| 11       | Contributions, gifts, grants, and similar amounts paid (attach schedule).   | 0   | 0           | 0           | 0         |              |
| 12       | Disbursements to or for the benefit of members (attach schedule)  | 0   | 0           | 0           | 0         |              |
| 13       | Compensation of officers, directors, and trustees (attach schedule)   | 4,838   | 8,678       | 18,125      | 31,641    |              |
| 14       | Other salaries and wages.   | 16,590  | 18,824      | 21,198      | 56,612    |              |
| 15       | Interest  | 0   | 0           | 0           | 0         |              |
| 16       | Occupancy   | 1,659   | 1,819       | 2,141       | 5,619     |              |
| 17       | Depreciation and depletion  | 0   | 0           | 0           | 0         |              |
| 18       | Other expenses (attach schedule)  | 201,913   | 320,609     | 453,536     | 976,058   |              |
| 19       | Total expenses (add lines 9 through 18)   | 225,000   | 350,000     | 495,000     | 1,070,000 |              |
| 20       | Excess of revenue over expenses (line 8 minus line 19)  | 31,750  | 13,750      | 32,500      | 78,000    |              |

**B. Balance Sheet (at the end of the period shown)**

|  |  | Current Tax Year<br>as of 4/30/01 |        |
|--|--|-----------------------------------|--------|
| <b>Assets</b>  |  |                                   |        |
| 1 Cash   |  | 1                                 | 90,000 |
| 2 Accounts receivable, net   |  | 2                                 | 0      |
| 3 Inventories  |  | 3                                 | 0      |
| 4 Bonds and notes receivable (attach schedule)                                 |  | 4                                 | 0      |
| 5 Corporate stocks (attach schedule)   |  | 5                                 | 0      |
| 6 Mortgage loans (attach schedule)   |  | 6                                 | 0      |
| 7 Other investments (attach schedule)  |  | 7                                 | 0      |
| 8 Depreciable and depletable assets (attach schedule)                          |  | 8                                 | 0      |
| 9 Land   |  | 9                                 | 0      |
| 10 Other assets (attach schedule)  |  | 10                                | 0      |
| 11 Total assets  |  | 11                                | 90,000 |
| <b>Liabilities</b>   |  |                                   |        |
| 12 Accounts payable  |  | 12                                | 0      |
| 13 Contributions, gifts, grants, etc., payable                                 |  | 13                                | 0      |
| 14 Mortgages and notes payable (attach schedule)                               |  | 14                                | 0      |
| 15 Other liabilities (attach schedule)   |  | 15                                | 0      |
| 16 Total liabilities   |  | 16                                | 0      |
| <b>Fund Balances or Net Assets</b>   |  |                                   |        |
| 17 Total fund balances or net assets   |  | 17                                | 90,000 |
| 18 Total liabilities and fund balances or net assets (add line 16 and line 17) |  | 18                                | 90,000 |

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation. ☐

Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

Part III, Section A: Statement of Revenue and Expenses

Line 13: Compensation of officers and directors

| Officer / Director             | 2001           | 2002           | 2003            |
|--------------------------------|----------------|----------------|-----------------|
| Rodger Schlickeisen, President | 4,838          | 8,678          | 18,125          |
| <b>TOTAL</b>                   | <b>\$4,838</b> | <b>\$8,678</b> | <b>\$18,125</b> |

Line 18: Other Expenses

| Purpose of Expenditure | 2001             | 2002             | 2003             |
|------------------------|------------------|------------------|------------------|
| Advertising and media  | 100,000          | 200,000          | 290,000          |
| Printing               | 50,000           | 50,000           | 75,000           |
| Professional Fees      | 11,913           | 25,609           | 30,536           |
| List rental            | 10,000           | 11,000           | 12,000           |
| Contract services      | 10,000           | 11,000           | 14,000           |
| Postage                | 10,000           | 12,000           | 18,000           |
| Computer services      | 5,000            | 6,000            | 6,000            |
| Supplies               | 4,000            | 4,000            | 6,000            |
| Miscellaneous          | 1,000            | 1,000            | 2,000            |
| <b>TOTAL</b>           | <b>\$201,913</b> | <b>\$320,609</b> | <b>\$453,536</b> |

Schedule B

**Organizations Described in Section 501(c)(4) (Civic leagues, social welfare organizations (including posts, councils, etc., of veterans' organizations not qualifying or applying for exemption under section 501(c)(19)) or local associations of employees.)**

- 1 Has the Internal Revenue Service previously issued a ruling or determination letter recognizing the applicant organization (or any predecessor organization listed in question 4, Part II of the application) to be exempt under section 501(c)(3) and later revoked that recognition of exemption on the basis that the applicant organization (or its predecessor) was carrying on propaganda or otherwise attempting to influence legislation or on the basis that it engaged in political activity? ☐ Yes ☒ No

If "Yes," indicate the earliest tax year for which recognition of exemption under section 501(c)(3) was revoked and the IRS district office that issued the revocation.

- 2 Does the organization perform or plan to perform (for members, shareholders, or others) services, such as maintaining the common areas of a condominium; buying food or other items on a cooperative basis; or providing recreational facilities or transportation services, job placement, or other similar undertakings? ☐ Yes ☒ No

If "Yes," explain the activities in detail, including income realized and expenses incurred. Also, explain in detail the nature of the benefits to the general public from these activities. (If the answer to this question is explained in Part II of the application (pages 2, 3, and 4), enter the page and item number here.)

- 3 If the organization is claiming exemption as a homeowners' association, is access to any property or facilities it owns or maintains restricted in any way? ☐ Yes ☒ No

If "Yes," explain.

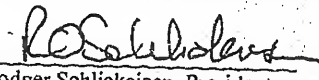
- 4 If the organization is claiming exemption as a local association of employees, state the name and address of each employer whose employees are eligible for membership in the association. If employees of more than one plant or office of the same employer are eligible for membership, give the address of each plant or office.

N/A.

Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

I, Rodger Schlickeisen, certify that I am President of Defenders of Wildlife Action Fund and that the attached is a complete, current, and correct copy of its Articles of Incorporation, which were filed with the D.C. government on February 22, 2001.

  
Rodger Schlickeisen, President

June 27, 2001

Date



GOVERNMENT OF THE DISTRICT OF COLUMBIA  
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS



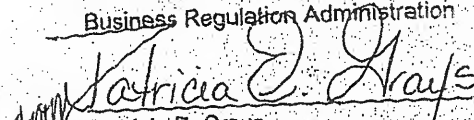
**CERTIFICATE**

THIS IS TO CERTIFY that all applicable provisions of the District NonProfit Corporation Act have been complied with and according via  
**CERTIFICATE OF INCORPORATION** is hereby issued to:  
**DEFENDERS OF WILDLIFE ACTION FUND**

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed as of the 22nd day of February, 2001.

Carlynn M. Fuller  
Acting Director

Winnie R. Huston  
Administrator  
Business Regulation Administration

  
Patricia E. Grays  
Superintendent of Corporations  
Corporations Division

Anthony A. Williams  
Mayor

ARTICLES OF INCORPORATION  
OF  
DEFENDERS OF WILDLIFE ACTION FUND

TO: Department of Consumer and Regulatory Affairs  
Corporations Division  
Washington, D.C.

We, the undersigned natural persons of the age of eighteen years or more, acting as incorporators, adopt the following Articles of Incorporation pursuant to the District of Columbia Non-Profit Corporation Act:

**FIRST:** The name of the corporation is Defenders of Wildlife Action Fund.

**SECOND:** The period of duration is perpetual.

**THIRD:** The corporation shall have non-voting members whose classes, qualifications, rights and privileges shall be as set forth in the bylaws.

**FOURTH:** The corporation is organized and will be operated exclusively for social welfare purposes under section 501(c)(4) of the Internal Revenue Code, including protecting wildlife, natural habitats, and the environment by:

- Educating people of all ages about wildlife, habitats, and other environmental issues;
- Supporting the passage of legislation, the implementation of regulatory actions, and the outcome of referenda at the federal, state and local levels which will positively affect wildlife, habitats, and the environment; and
- Influencing the appointment of officials and the recruitment, nomination, and election of candidates to public office who will develop and implement policies that positively affect wildlife, habitats, and the environment.

In pursuance of these purposes it shall have the powers to do all things necessary, proper and consistent with maintaining its tax-exempt status under section 501(c)(4). All references to sections in these Articles refer to the Internal Revenue Code of 1986 as amended or to comparable sections of subsequent internal revenue codes. So long as it is primarily engaged in nonpolitical activities which support social welfare, the corporation may participate or intervene in lawful political campaign activity on behalf of or in opposition to candidates for public office. Notwithstanding any other provision of these Articles or of any Bylaws adopted thereunder, this

corporation shall not take any action not permitted by the laws which then apply to this corporation.

**FIFTH:** No part of the net earnings of the corporation shall inure to the benefit of or be distributed to any director, employee or other individual, partnership, estate, trust or corporation having a personal or private interest in the corporation. Compensation for services actually rendered and reimbursement for expenses actually incurred in attending to the affairs of this corporation shall be limited to reasonable amounts. Upon dissolution of the corporation, its assets shall be disposed of exclusively for the purposes of the corporation or distributed to such organizations organized and operated exclusively for the promotion of social welfare or for charitable purposes which shall, at the time, qualify as exempt organizations under sections 501(c)(4) or 501(c)(3).

**SIXTH:** The registered agent is Robert Jones, and the address, including street and number, of its initial registered office is 1101 14<sup>th</sup> Street, NW, Suite 1400, Washington, D.C. 20005.

**SEVENTH:** The internal affairs of the corporation shall be regulated by its Board of Directors as described in the Bylaws. The members of the Board of Directors shall be those individuals elected, from time to time, in accordance with the Bylaws. The number of directors constituting the initial Board of Directors is three (3), and the names and addresses, including street number, of the persons who are to serve as the initial directors until the first annual meeting, or until their successors are elected and qualified, are:

- (1) Rodger Schlickeisen  
201 West Rosemont Avenue  
Alexandria, VA 22301
- (2) Terry C. Pelster, Esq.  
201 East 79<sup>th</sup> Street, Apartment #17F  
New York, NY 10021
- (3) Caroline Gabel  
654 F Street, NE  
Washington, DC 20002

**EIGHTH:** The names and addresses, including street and number, of the incorporators are:

- (1) Mark Sawchuk  
Harmon, Curran, Spielberg & Eisenberg, LLP  
1726 M Street, NW, Suite 600  
Washington, DC 20036
- (2) Bruce Smith  
Harmon, Curran, Spielberg & Eisenberg, LLP

1726 M Street, NW, Suite 600  
Washington, DC 20036

(3)

Robin Speaks  
Harmon, Curran, Spielberg & Eisenberg, LLP  
1726 M Street, NW, Suite 600  
Washington, DC 20036

Mark Sawchuk  
Mark Sawchuk

Date: 2/22/01

Bruce Smith  
Bruce Smith

Date: 2/22/01

Robin Speaks  
Robin Speaks

Date: 2/22/01

I, Steven V. Phillips, a Notary Public, hereby certify that on the  
22 day of Feb 2001, Mark Sawchuk, Bruce Smith, and Robin Speaks  
appeared before me and signed the foregoing document as incorporators, and have averred that  
the statements therein contained are true.

Steven V. Phillips  
Notary Public

Steven V. Phillips  
Notary Public, District of Columbia  
My Commission Expires July 1, 2005



Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Form 1024

I, Rodger Schlickeisen, certify that I am President of Defenders of Wildlife Action Fund and that the attached is a complete, current, and correct copy of its Bylaws, which were adopted by the Board of Directors on February 23, 2001 and are now in effect.

  
Rodger Schlickeisen, President

June 27, 2001

Date

0038 0031



BYLAWS  
OF  
DEFENDERS OF WILDLIFE ACTION FUND

As Adopted As of

February 23, 2001

ARTICLE I

NAME AND PURPOSES

Section 1.01. Name. The name of the organization is Defenders of Wildlife Action Fund.

Section 1.02. Purpose. The Corporation is a social welfare organization and is organized for the purpose of protecting wildlife, natural habitats, and the environment by:

- Educating people of all ages about wildlife, habitats, and other environmental issues;
- Supporting the passage of legislation, the implementation of regulatory actions, and the outcome of referenda at the federal, state and local levels which will positively affect wildlife, habitats, and the environment; and
- Influencing the appointment of officials and the recruitment, nomination, and election of candidates to public office who will develop and implement policies that positively affect wildlife, habitats, and the environment.

ARTICLE II

AUTHORITY AND DUTIES OF DIRECTORS

Section 2.01. Authority of Directors. The Board of Directors ("the Board") is the policy-making body and may exercise all the powers and authority granted to the Corporation by law.

Section 2.02. Number, Selection, and Tenure. The Board shall consist of at least three (3) directors. Directors will elect their successors. A director may serve for any number of three (3) year terms, consecutive or otherwise.

Section 2.03. Compensation. Board members shall not be compensated for serving on the Board, but may be reimbursed for actual expenses incurred on behalf of the Corporation. Board members who also serve as employees of the Corporation may be compensated for their service as employees.

Section 2.04. Resignation. Resignations are effective upon receipt by the Secretary of the Board of written notification, or receipt by the President or other officer if the Secretary is resigning.

Section 2.05. Vacancies. Vacancies existing by reason of resignation, death, incapacity or removal before the expiration of a term shall be filled by a majority vote of the remaining directors.

Section 2.06. Meetings. The Board shall hold at least one regular meeting annually. Any or all members of the Board may participate in a meeting by conference telephone or similar communications equipment, so long as members participating in such meeting can hear one another. Regular meetings shall be at such times and places as the Board shall determine. Special meetings may be called by the Chairman with telephone or written notice.

Section 2.07. Quorum and Voting. A quorum shall consist of a majority of the total number of Board members in office. All decisions shall be by majority vote of those present at a meeting at which a quorum is present.

Section 2.08. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Board (including amendment of these Bylaws) or of any committee may be taken without a meeting if all the members of the Board or committee consent in writing to taking the action without a meeting and to approving the specific action. Such consents shall have the same force and effect as a unanimous vote of the Board or of the committee as the case may be.

Section 2.09. Committees. The Board may, by resolution adopted by a majority of the Directors in office, establish committees of the Board composed of at least two (2) Directors. An Executive Committee may be established which shall have and exercise the authority of the Board of Directors in the management of the Corporation.

Other committees not having and exercising the authority of the Board in the management of the Corporation may be designated and appointed by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Such committees shall consist of at least two members.

For both types of committees, the Board may make such provisions for appointment of the chair, establish such procedures to govern their activities, and delegate thereto such authority as may be necessary or desirable for the efficient management of the property, affairs, business, and/or activities of the Corporation.

### ARTICLE III

#### MEMBERS

Section 3.01. Qualifications. Members of the Corporation shall be those people who contribute funds to the Corporation. Members may be divided into categories based on size of contribution or amount of volunteer effort.

Section 3.02. Rights. Members will have no voting rights and will receive the Corporation's publications.

### ARTICLE IV

#### AUTHORITY AND DUTIES OF OFFICERS

Section 4.01. Officers. The officers of the Corporation shall be a President, a Secretary, a Treasurer, and such other officers as the Board may designate. Two or more offices may be held by the same person, except the offices of secretary and president.

Section 4.02. Appointment of Officers; Terms of Office. Officers shall serve three (3) year terms. The President, the Secretary, and the Treasurer shall be appointed by the Board at its annual meeting in each year that such positions have become vacant due to expiration of an officer's term. Officers shall be eligible for reappointment. Vacancies existing by reason of resignation, death, incapacity or removal before the expiration of a term shall be filled by the Board for the remainder of the unexpired term.

Section 4.03. Resignation. Resignations are effective upon receipt by the Secretary of the Board of a written notification, or by the President or other officer if the Secretary is resigning.

Section 4.04. Removal. An officer may be removed by the Board at a meeting, or by action in writing pursuant to Section 2.08, whenever in the Board's judgment the best interests of the Corporation will be served thereby. The removal of a person from corporate office will not terminate or otherwise affect any contractual relationship between that individual and the Corporation.

ARTICLE V  
INDEMNIFICATION

Section 5.01. Definitions.

"Matter" shall mean any actual or threatened civil, criminal, or administrative action, arbitration proceeding, claim, suit, proceeding or appeals therefrom, or any criminal, administrative, or Congressional (or other body's) investigation, hearing, or other proceeding.

"Eligible Person" shall mean any person who at any time was or is a director, a member of any committee or subcommittee, an officer, or an employee of the Corporation.

Section 5.02. Right to Indemnification. Any Eligible Person made a party to or involved in a Matter by reason of his or her position with or service to the Corporation shall, to the fullest extent permitted by law, be indemnified by the Corporation against all liabilities and all expenses reasonably incurred by him or her arising out of or in connection with such Matter, except in relation to Matters as to which (i) the Eligible Person failed to act in good faith and for a purpose which he or she reasonably believed to be in the best interests of the Corporation, or (ii) in the case of a criminal Matter, the person had reasonable cause to believe that his or her conduct was unlawful, or (iii) the person shall be adjudged to be liable for misconduct or negligence in the performance of a duty.

Section 5.03. Limitation on Right of Indemnification. Except where an Eligible Person has been successful on the merits with respect to such Matter, any indemnification hereunder shall be made only after (i) the Board (acting by a quorum consisting of Directors who were not involved in such Matter) determines that such Eligible Person met the applicable indemnification standard set forth in section 5.02 above; or (ii) in the absence of a quorum, a finding is rendered in a written opinion by independent legal counsel that such person or persons met the applicable indemnification standard set forth in paragraph section 5.02 above.

Section 5.04. Other Rights. The right of indemnification shall not be deemed exclusive of any other right to which any person may be entitled in addition to the indemnification provided hereunder. This indemnification shall in the case of the death of the person entitled to indemnification, inure to the benefit of his or her heirs, executors or other lawful representative.

Section 5.05. Interim Indemnification. The Corporation shall, with respect to a Matter described in 5.02, advance attorneys fees as interim indemnification to any Eligible Person if the following conditions are satisfied: (i)(a) the Board (acting by a quorum consisting of Directors who are not involved in such litigation) determines that such Eligible Person is likely to meet the applicable indemnification standard set forth in section 5.02, or (b) in the absence of such a quorum, a finding is rendered in a written opinion by independent legal counsel that such Eligible Person is likely to meet the applicable indemnification standard set forth in 5.02 above;

and (ii) such Eligible Person (a) requests such interim indemnification, (b) agrees to repay such interim indemnification promptly upon a determination unfavorable to him or her under section 5.03 and (c) deposits a bond or equivalent security.

Section 5.06. Insurance. The Board may authorize the purchase of and maintain insurance on behalf of any Eligible Person against any liability asserted against or incurred by him which arises out of such person's status in such capacity, or out of acts taken in such capacity, whether or not the Corporation would have the power to indemnify the person against that liability under law.

## ARTICLE VI

### FINANCIAL ADMINISTRATION

Section 6.01. Fiscal Year. The fiscal year of the Corporation shall be October 1 - September 30 but may be changed by resolution of the Board.

Section 6.02. Checks, Drafts, Etc. All checks, orders for the payment of money, bills of lading, warehouse receipts, obligations, bills of exchange, and insurance certificates shall be signed or endorsed by an officer or officers or agent or agents of the Corporation and in a manner as shall be determined by resolution of the Board or of any committee to which such authority has been delegated by the Board.

Section 6.03. Deposits and Accounts. All funds of the Corporation, not otherwise employed, shall be deposited from time to time in general or special accounts in such banks, trust companies, or other depositories as the Board or any committee to which such authority has been delegated by the Board may select, or as may be selected by any officer or officers or agent or agents of the Corporation, to whom such power may from time to time be delegated by the Board. For the purpose of deposit and for the purpose of collection for that account of the Corporation, checks, drafts, and other orders of the Corporation may be endorsed, assigned, and delivered on behalf of the Corporation by any officer or agent of the Corporation.

Section 6.04. Contracts. Unless the Board determines otherwise by resolution, the President, Secretary, Treasurer, Board Chair and Chair of the Executive Committee shall all be authorized to execute contracts on behalf of the Corporation. Each such individual may, with written notice to the Board, delegate such authority to such employees and with such limitations upon the delegated authority as may be necessary or expedient for running the affairs of the Corporation. Unless otherwise expressly determined by the Board, no other individuals shall be authorized to bind the Corporation to any contract, including the chair of any committee other than the Executive Committee.



Section 6.05. Reports to the Directors. Complete financial statements shall be presented to and reviewed by the Board after the close of each fiscal year.

#### ARTICLE VII

##### CONFLICTS OF INTEREST

The Board shall by resolution adopt a conflict of interest policy applicable to officers, directors, members of committees of the Board, and employees, that shall define conflicts of interest (including competing financial interests or fiduciary duties), require that conflicts be disclosed and the conflicted person be recused from any decision-making with regard to the matter.

#### ARTICLE VIII

##### COMPENSATION

The Board shall adopt a policy establishing procedures for reviewing and setting financial compensation to any individual exercising substantial influence over the Corporation to ensure that such compensation is no more than reasonable and does not otherwise result in an excess benefit to the person, and requiring that adequate documentation be maintained to support the basis for setting such compensation.

#### ARTICLE IX

##### RECORDS

Section 9.01. Recordkeeping. The Secretary or his or her designee shall keep or cause to be kept adequate minutes of all Board or committee meetings, and all meetings of committees with Board-designated powers reflecting at a minimum the names of those in attendance, any resolutions passed and the outcomes of any votes taken. When potential conflicts of interests are discussed, the minutes shall include: the names of the persons who disclosed financial interests; the nature of the financial interests; whether or not the Board determined that a conflict existed; the names of the persons present for the discussions and votes related to the relevant transaction or arrangement; the content of those discussions, including any alternative transactions or arrangements; and a record of the vote. At the request of any participating Board member, the records of such discussions and individual votes may be kept sealed, with only the outcome reported publicly.

Section 9.02. Public Disclosure. After receiving IRS recognition of its 501(c)(4) status, the Corporation shall keep available for public inspection at its principal place of business and any branch office copies of the Form 1024 (exemption application) as filed and any Form 990 (information tax return) filed within the past three years. Names and identifying information of contributors shall be redacted from publicly available copies. In addition, as required by the tax code and regulations, the Corporation shall either 1) make such materials widely available to the public, such as by posting on the Internet, or 2) provide copies of the materials to any member of the public making a request in person during normal business hours or in writing. This public disclosure obligation shall be no broader than required by law and shall not apply, for example, if the Corporation is the target of a campaign of harassment.

#### ARTICLE X

#### AMENDMENT OF BYLAWS

These Bylaws may be amended by a majority vote of the entire Board, provided seven (7) days prior notice is given of the proposed amendment or provided all members of the Board waive such notice, or by unanimous consent in writing without a meeting pursuant to Section 2.08.

## AGREEMENT FOR ALLOCATION OF COSTS AND REIMBURSEMENT OF EXPENSES

THIS AGREEMENT is made this 27<sup>th</sup> day of June, 200<sup>1</sup>, by and between Defenders of Wildlife (hereinafter "Defenders"), a non-profit section 501(c)(3) organization incorporated under the laws of the District of Columbia, and Defenders of Wildlife Action Fund (hereinafter "Action Fund"), a non-profit section 501(c)(4) organization incorporated under the laws of the District of Columbia.

WHEREAS, Defenders is organized and operated to protect native wild animals and plants in their natural communities; and

WHEREAS, Action Fund is organized and operated to support the mission of Defenders by educating people of all ages about wildlife, habitats, and other environmental issues, supporting the passage of legislation, the implementation of regulatory actions, and the outcome of referenda at the federal, state and local levels which will positively affect wildlife, habitats, and the environment, and influencing the appointment of officials and the recruitment, nomination, and election of candidates to public office who will develop and implement policies that positively affect wildlife, habitats, and the environment; and

WHEREAS, Defenders and Action Fund have agreed that it is in their mutual best interests to minimize duplicate expenses and carry out their purposes in the most economical fashion possible; and

WHEREAS, Defenders currently has in its employ individuals who perform services for Defenders and for Action Fund; and

WHEREAS, the premises on which these individuals perform their services and the equipment used by them are furnished by Defenders; and

WHEREAS, employees of Defenders also perform and will perform administrative, program, communication, financial, fund raising, lobbying and other similar functions for Action Fund; and

WHEREAS, Action Fund desires to use the name of Defenders (known as "Name") within its corporate name in light of the fact that Action Fund is organized and operated to support the mission of Defenders, and Defenders is willing to grant Action Fund the right to use the Name; and

NOW, THEREFORE, in consideration of these mutual promises and mutual benefits, Defenders and Action Fund agree to continue to share a variety of personnel, facilities, goods, and services in accordance with the terms set forth below.

#### SECTION 1: SERVICES

1.1 Personnel. Defenders employees will perform a variety of administrative, program, communication, financial, fund raising, lobbying and other similar functions for Action Fund on an as-needed basis.

1.2 Equipment and Facilities. Action Fund will use office space, office supplies, office furniture, various items of office equipment, and similar items of Defenders.

1.3 Use of Name. Defenders grants to Action Fund a nonexclusive, nontransferable license (the "License") to use the name "Defenders of Wildlife" (the "Name") within its corporate name. Action Fund accepts the License subject to the terms and conditions set forth in this paragraph. Action Fund acknowledges Defenders' ownership of the Name and all goodwill associated therewith, and agrees that it will do nothing inconsistent with such ownership. Action Fund agrees that nothing in the License shall give Action Fund any right, title, or interest in or to the Name other than the right to use the Name in accordance with the License. Action Fund agrees to notify Defenders of any unauthorized use of the Name by others promptly if and when it comes to Action Fund's attention. Defenders shall have the sole right and discretion to bring infringement or unfair competition proceedings involving the Name.

#### SECTION 2: PAYMENT FOR SERVICES

2.1 Payment of Direct Costs. Action Fund shall pay Defenders for all expenses incurred by Defenders on its behalf. Such expenses shall include, but are not limited to, salaries and fringe benefits of Defenders personnel who perform services for Action Fund, the costs of travel, fees to independent contractors, postage, long distance telephone charges, mileage, printing, and other actual expenses.

2.2 Calculation of Payment for Salaries and Fringe Benefits. Action Fund's payment for use of Defenders personnel shall be calculated on the basis of separate time sheets submitted by employees, which are prepared pursuant to instructions provided by management personnel. Thus, Action Fund shall pay for that proportion of the salaries and fringe benefits of Defenders employees expended by Defenders personnel on Action Fund's functions. Action Fund may request that the time sheets reflect a breakdown of activities not only as time expended working on behalf of the Fund, but by project or functional category of work.

2.3 Payment of Overhead Costs. Action Fund will pay Defenders an additional amount to cover overhead costs, which shall be calculated by multiplying Defenders' overhead costs by the percentage obtained by dividing program and fund-raising staff costs charged to Action Fund by

total Defenders program and fund-raising staff costs. The overhead costs to be reimbursed at this calculated percentage include, but are not limited to:

- a. staff time devoted to administrative matters (e.g., performance of clerical, receptionist, accounting, and administrative functions, and attendance by all staff at staff meetings)
- b. storage
- c. equipment rental and maintenance
- d. depreciation of equipment and furniture
- e. premiums for liability and other insurance
- f. general office supplies
- g. telephone service
- h. computer and word processing supplies
- i. staff, board, and committee travel not accounted for under paragraph 2.1 above
- j. photocopying
- k. taxes and licenses
- l. subscriptions and other publications
- m. rent and/or other direct costs of office space and facilities leased or owned by Defenders.

2.4 Payment for Use of Name. Because this is a restricted license and Action Fund agrees to use the Name in furtherance of Defenders' exempt purposes, no royalty provision is made.

2.5 Time of Payment. Action Fund will make payments to Defenders of the amounts due under this contract no less frequently than quarterly on the basis of records maintained by Defenders.

### SECTION 3: MISCELLANEOUS

3.1 Term. This Agreement shall be effective for the period May 1, 2001 through September 30, 2002. This Agreement may be terminated by either Party at any time, upon provision of 30 days notice in writing to the other Party. This Agreement shall automatically renew for successive one-year periods, unless notice is given by either Party at least 30 days prior to the expiration of the current term.

3.2 Modification and Changes. This Agreement cannot be changed or modified except by instrument in writing executed by both Parties.

3.3 Governing Law. This Agreement shall be deemed to have been made and shall be construed and interpreted in accordance with the laws of the District of Columbia.

3.4 Integration. This Agreement sets forth the entire agreement between the Parties, and replaces and supersedes all other contracts, agreements, and understandings, written or oral, relating to the subject matter hereof.



3.5 Assignment. This Agreement is not assignable by either Party.

3.6 Headings. The headings contained herein are for the convenience of reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have signed their names on the day and year before mentioned.

Defenders of Wildlife Action Fund

Rodger Schlickeisen  
Signature

Rodger Schlickeisen  
Print Name

June 27, 2001

Date

President

Title

Defenders of Wildlife

Charles J. Orasin  
Signature

Charles J. Orasin  
Print Name

June 27, 2001

Date

Senior Vice President  
for Operations

Title

# HARMON, CURRAN, SPIELBERG & EISENBERG, LLP

1726 M Street, NW, Suite 600 Washington, DC 20036

(202) 328-3500 (202) 328-6918 fax

Sent via Certified Mail  
June 28, 2001

Internal Revenue Service  
P.O. Box 192  
Covington, KY 41012-0192

Re: Form 1024: Defenders of Wildlife Action Fund  
Employer ID# 52-2298744

Dear Madam/Sir:

Enclosed please find Form 1024, Application for Recognition of Exemption under Section 501(a), filed on behalf of my client, Defenders of Wildlife Action Fund. Also enclosed are a duly executed Power of Attorney form (Form 2848), a duly executed User Fee form (Form 8718), and a check for \$500 to cover the user fee.

If you have any questions, please contact me at (202) 328-3500.

Sincerely,



Ann Peters

enclosures

Post Mark

JUN 28 '01

Received

JUL 02 '01

Internal Revenue Service  
Covington, K.Y.